

Overview of Committee Substitute to SB 180

SB 180 creates the Alabama Transportation Safety Fund to receive revenue generated by the enactment of any new taxes or fees for road and bridges in Alabama. Any increase in gasoline, diesel, tag fees or other revenue will be deposited into this fund and distributed and expended as provided in this act. ***This bill will have no effect unless new revenue is enacted this session.***

The new version was developed very quickly and there are many refinements that will be necessary in the coming days. This version establishes three distinct distribution methodologies for allocating and spending the new revenue. Below is a quick overview of these provisions:

1. The first \$32 million deposited into the fund from an increase in the tax on diesel – and, should any new diesel revenue be insufficient then gasoline tax revenue or other revenue will be used – will be allocated for a bond issue of not more than \$300 million for county road and bridge expenditures.
 - The bill establishes a committee, similar to the committee used to determine the projects for the ATRIP program, to establish criteria and select the projects to be funded from the bond issue. The project would be bid by ALDOT but it is the intent of everyone involved that the projects will be constructed in compliance with the County Road Design Policy for Low Volume Roads.
 - The minimum allocation will be \$2.5 million per county.
 - Details on the administrative and operational process for the bond issue, awarding of projects and other matters are yet to be worked out.
2. The next \$33.5 million in proceeds from any new taxes or fees will be divided equally among the counties (\$500,000 per county). This new revenue will replace the existing federal aid program of \$533,000 per county.
 - This money would be used only for county road and bridge projects, would be let to contract by the county and would be subject to the restrictions and reporting requirements explained below.

3. The remaining revenue deposited into the fund will be allocated using the "traditional" formula, with counties receiving 34.1 percent and sharing 10 percent of their individual allocations with the municipalities within the county.

- This money will be used for:
 - Maintenance, Improvement, Replacement and Construction of county-maintained roads and bridges
 - Matching funds for federal road or bridge projects
 - Payment of any debt associated with road or bridge projects
 - On joint projects with a municipality or on municipal roads with the consent of the municipality.
 - There is also a provision that counties can spend revenue on the items listed below only "in accordance with generally accepted accounting principles for job cost accounting or federal cost allocation regulations:
 - Salaries, benefits or any other form of compensation for employees or contract employees
 - Purchase, lease or maintenance of equipment
 - Maintenance or construction public buildings or other structures that are not roads and bridges
- Reporting requirements:
 - An annual plan of projects shall be approved by the commission each October
 - The plan cannot change throughout the year and must be posted
 - Each January, the County Engineer shall prepare a written report giving a status of all annual plan projects and identifying the expenditures made during the prior fiscal year. The report shall be made public and posted on the county website, if available.